BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Family Income

- **The median income of census families living in Victoria was $51,900 in 1998.** In Vancouver, the median income was somewhat lower, at $47,700. Oshawa ($60,000) was the city with the highest median family income in the country. The Canadian median was $47,300.

  Husband-wife families in Victoria had a median income of $57,300 in 1998. This compares to $52,600 in Vancouver and $52,500 for all of Canada. The median for lone-parent families was much lower, at $25,700 in Victoria, $25,100 in Vancouver, and $22,700 nationally. Calgary ($28,500) was the metropolitan area where lone-parent families had the highest median income in the country. The median income is the level at which half of all individuals have a higher, and half have a lower, income. *Source: Statistics Canada*

Prices

- **British Columbia's year-over-year inflation rate was 2.0% in July.** The increase in the all-items consumer price index (CPI), which was the highest in nearly a year, reached the two percent mark for only the second time since late 1995. The CPI has been moving up during the last few months, driven by increased transportation costs (+4.9%) which reflect the persistence of higher prices at the pump. The cost of gasoline in BC was up 23.7% from July 1999. However, the cost of food has been falling since the beginning of the year, providing some relief to the pocketbooks of consumers who have had to fork over more money to fill up their gas tanks. Last month, food prices were 0.4% lower than a year earlier.

  The Canadian CPI was up 3.0% from July 1999, with regional inflation rates ranging from 1.7% in NWT to 4.7% in PEI. BC's 2.0% inflation rate was the second lowest in the country. Victoria had an inflation rate of 1.6% in July. In Vancouver, the CPI was up 2.6%. *Source: Statistics Canada*

- **The long decline in the cost of owned accommodation in the province is grinding to a halt.** In July, this component of the CPI increased for the first time since 1995, edging up 0.1%. This mark the third straight month in which the cost of owned accommodation has remained stable. A decline in shelter costs had been one of the main reasons for BC's low inflation rate during the last few years. *Source: Statistics Canada*

The Economy

- **Exports of BC products were 14.3% higher in June than in the same month last year.** The increase in exports continues an upward trend that began nearly two years ago. Forest product exports rose 8.1%, and international shipments of most other commodities increased at similar rates. The exceptions were energy (+84.0%), agriculture & fish (+3.5%), and automotive (-19.4%) exports.

  Nationally, the value of exports rose 17.3% as all provinces boosted their international shipments, most of them substantially. PEI (+9.7%), Ontario (+8.1%) and Nova Scotia (+4.5%) were the only provinces that did not experience double-digit growth. In the rest of Canada, increases ranged from 14.3% in BC to 52.2% in Alberta.

  Source: Statistics Canada
  Seasonally adjusted export data for BC will be released next week

- **During the first half of the year, BC's exports were up 13.2% from the same period of 1999.** Ontario (+8.1%), Nova Scotia (+13.9%) and Quebec (+18.0%) were the only other provinces where exports rose less than twenty percent. Strong showings in Newfoundland (+59.0%) and Alberta (+57.8%) were partly due to soaring energy exports, which also provided a boost to Saskatchewan's (+33.0%) export performance.

Report **Recent changes in BC's immigration levels**

Did you know...
As a percent of GDP, business spending on R&D in Sweden is nearly three times (2.9%) that in Canada (1.0%). Japan (2.1%) and the US (2.0%) rank second and third among OECD countries.

Canadian exports were up 17.0%.
Source: Statistics Canada

- **Shipments of goods manufactured in the province continued to seesaw in June, falling 0.6% (seasonally adjusted) after rising 0.8% in the previous month.** The downturn reflected weakness in all three of BC's biggest manufacturing industries: wood (-3.5%), paper (-0.3%) and food (-2.6%).

  Overall, shipments of durable goods were down 1.3%, while non-durables shipments increased slightly (+0.3%) between May and June. This was largely due to improvements in the printing and publishing (+9.7%), beverage (+2.3%) and plastics (+3.5%) industries. These, together with gains in some of the smaller industries, were not strong enough to offset the weakness in the paper and food sectors. On the durables side, shipments were up in five of the nine industries, with the strongest gains seen in transportation equipment (+8.0%) and primary metals (+6.8%).

  Canadian shipments edged up 0.7% in June, boosted by a price-driven advance in the refined petroleum and coal products industry. Newfoundland (+12.2%), New Brunswick (+5.3%) and PEI (+3.7%) were the only provinces to post significant increases. *Source: Statistics Canada*

- **Year-to-date, the value of BC shipments was up 10.3% from the first six months of 1999.** The value of wood (+13.2%) and paper (+27.3%) shipments increased significantly. In addition, shipments of furniture and fixtures (+27.5%), textile products (+18.9%), clothing (+18.9%), fabricated metals (+14.2%), plastics (+12.1%) and chemicals (+10.1 %) were well above 1999 levels. Canadian shipments were up 11.2%. New Brunswick (+27.4%) and Alberta (+20.2%) posted the strongest gains, but every province did better in the first half of this year than in the same period of 1999. *Source: Statistics Canada*

- **Wholesale sales in the province remained weak in June, falling 1.2% (seasonally adjusted).** This marked the third straight monthly decline. Canadian sales rose only marginally (+0.3%), led by computers and electronic components (+2.5%) and motor vehicles (+2.0%). Other trade groups were volatile, with falling sales turning back the increases seen in May. A 0.6% drop in sales by lumber and building materials wholesalers was almost certainly a factor in BC's weak performance in June. Ontario (+1.5%) wholesalers received a boost from the strength in the computer and motor vehicles sectors. Quebec (+0.3%) was the only other province where wholesale sales rose in June. Year-to-date, wholesale sales in BC were up 7.6%, while Canadian sales were 8.7% higher than in the first six months of 1999.
  Source: Statistics Canada

- **New motor vehicle sales in the province remained weak in June, falling 9.5% (seasonally adjusted) below the May level.** The drop in sales was the fifth in the last six months. New car dealers in other parts of the country saw mixed results. Sales were up in Newfoundland (+22.1%), Nova Scotia (+9.7%) and Ontario (+8.4%), but rose only modestly or were flat in most other provinces. PEI (-5.4%) and BC were the only regions to post declines. Overall, Canadian sales increased 3.6% between May and June.
  Source: Statistics Canada

Traveller Entries

- **International traveller entries to Canada via BC rebounded in June, rising 1.9% (seasonally adjusted).** This gain more than recovered the losses in May. Nationally, travel by foreigners to Canada fell 0.2% in June. Entries from the US to BC continued to show contrary trends, with same-day travel gaining 3.0% while overnight entries slipped 0.8%. This was the fifth month in a row with a jump in same-day entries from the US, but the third straight month in which overnight entries dropped. The number of travellers from overseas edged up 0.9% in June, propelled in large part by the strongest performance in Asian markets since November. Gains in entries from Hong Kong (+9.3%) and South Korea (+32.7%) made up for fewer entries from Japan (-1.5%) and Taiwan (-3.5%). Entries from Europe edged up 0.3% in June. *Source: Statistics Canada & BC STATS*

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Infoline Report: Recent changes in British Columbia immigration levels (an update)

Contact: Frank Ip / (250) 387-0336

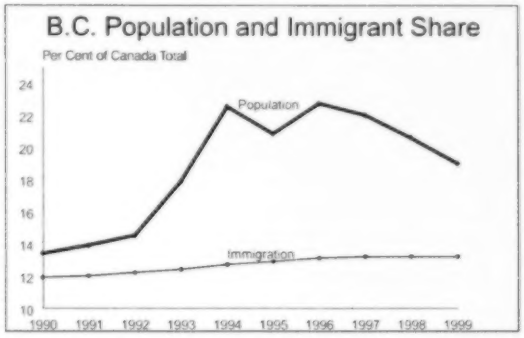
Originally published in First Quarter 2000 issue, *Immigration Highlights*. Annual subscription: $30 + GST

B.C.'s immigration level grew during the earlier part of the last decade and began to decline after it peaked in 1996 . . .

The number of immigrant landings in B.C. increased significantly over the period between 1990 and 1994. In fact, the number of immigrants to B.C. during 1996 was at a level (52,011 persons) that has not been seen in the recent history of the province. For a few decades prior to 1990, British Columbia immigration levels fluctuated between 15,000 and 25,000 persons per year. However, after 1996, immigration levels to B.C. started to decline.

B.C.'s share of total Canadian immigration has also shrunk in recent years . . .

Over the last decade, B.C. share has grown from a low of 13.4 per cent in 1990 to a high of 23 per cent in 1996, dropping back to 18 per cent by 1999. The combined result of fewer immigrants coming to Canada and a lower proportion of immigrants choosing B.C. for their destination has contributed to the recent sharp decline of landings in the province. However, when compared to its population share which was about 13 per cent in 1999, B.C. still received a proportionally higher share of immigration to Canada relative to the rest of the country.



Fewer Hong Kong immigrants have been the major reason for the recent decline . . .

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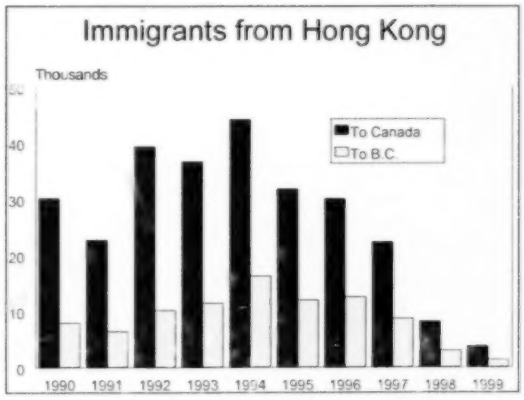
The rapid growth in B.C. immigration during the earlier part of the 1990's was primarily a result of the high influx of Hong Kong immigrants to the province. The significant decrease in the number of Hong Kong immigrants after 1996 was the main reason for the decline in immigration to B.C. and Canada. The hand-over of Hong Kong to the Chinese government in 1997 had an important impact on the level of immigration to Canada before and after the political event. During the last 10 years, Hong Kong immigration to Canada was at the highest during 1994 with 44,130 persons (19.7 per cent of all immigrants) and lowest in 1999 with 3,662 persons (1.9 per cent of the total).



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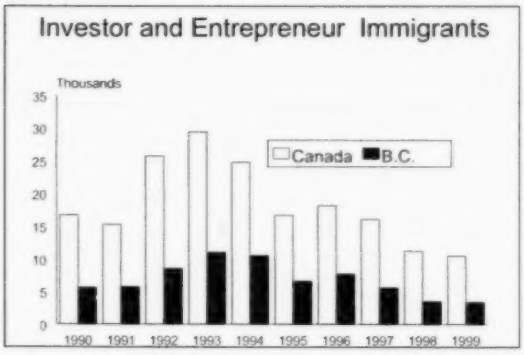
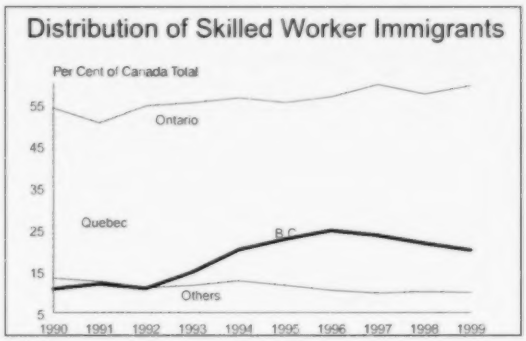
Relatively, B.C. has attracted a disproportionally higher share of Hong Kong immigrants to Canada. During the period between 1990 and 1999, more than 35 per cent of all Hong Kong immigrants chose to settle in B.C. while the province's general share of immigrants was less than 19 per cent. Consequently, the dramatic drop in Hong Kong immigrants to Canada played a significant role in the declining level of B.C. immigration during the last few years.

In addition, the economic downturn in many Asian countries prior to the end of the century also affected the number of immigrants to B.C. and Canada, in particular immigrants in the business classes. Over the past ten years, B.C. was able to attract a high proportion of investor and entrepreneur immigrants to Canada. Between 1990 and 1999, 29 per cent of all investor immigrants and 50 per cent of all entrepreneur immigrants chose to settle in B.C. However, the level of immigration under the business classes has been declining considerably in recent years mainly as a result of fewer immigrants arriving under these categories from Taiwan and Hong Kong.

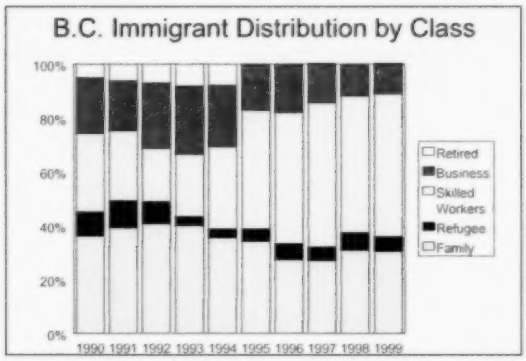


Parallel to the decrease in business immigrants, the deletion of the Retired Class from the immigration categories also had a higher impact on the immigration level for B.C. than for the other provinces. Over the past ten years, B.C. absorbed nearly half of the retired immigrants to Canada.

One of the reasons why proportionally more immigrants chose to settle in B.C. during the middle of the last decade could have been the favourable economic condition of B.C. relative to that of central Canada. However, the reverse in this condition was observed for B.C. during the latter part of the decade when B.C. was the only province that showed, on a per capita basis, continued negative economic growth over each year between 1995 and 1999. Also, unemployment rates have been considerably higher in B.C. than in Ontario and the other western provinces in recent years.



B.C. has received a slightly lower proportion of skilled worker immigrants (Other Independent Class and Assisted Relative Class) when its economic growth started to slow down towards the end of the decade. The decline in the share of immigrants in these classes also contributed directly to the drop in the overall landings in B.C.



While the level of immigration to B.C. could be affected by some of the factors discussed above, it is important to note that the immigration level is also largely a function of Canadian immigration policy. Any change in the future policy or administrative procedures will likely affect the overall Canadian immigration level and subsequently the number of immigrants arriving in the province.

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Infoline

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BC at a glance . . .

POPULATION (thousands)	Jan 1/00	% change on one year ago
BC	4,043.7	0.9
Canada	30,606.7	0.9
GDP and INCOME		% change on
(BC - at market prices)	1998	one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jun	3,238	7.5
Merchandise Exports (raw) May	2,723	14.6
Retail Sales (seasonally adjusted) May	2,879	4.5
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Jul '00	one year ago
BC	114.2	2.0
Canada	114.1	3.0
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul '00	one year ago
Labour Force - BC	2,077	0.0
Employed - BC	1,929	1.6
Unemployed - BC	148	-16.6
		Jul '99
Unemployment Rate - BC *(percent)*	7.1	8.5
Unemployment Rate - Canada *(percent)*	6.8	7.6
INTEREST RATES (percent)	Aug 16/00	Aug 18/99
Prime Business Rate	7.50	6.25
Conventional Mortgages - 1 year	7.90	7.25
- 5 year	8.25	8.05
US/CANADA EXCHANGE RATE	Aug 16/00	Aug 18/99
(avg. noon spot rate) Cdn $	1.4770	1.4830
US $ *(reciprocal of the closing rate)*	0.6767	0.6741
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul '00	one year ago
BC	635.92	1.6
Canada	613.47	3.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

Released this week by BC STATS

Earnings and Employment Trends, July 2000

Consumer Price Index, July 2000

Next week

- Exports (BC Origin), June 2000

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